



Q & A FOR AFSCME-COVERED EMPLOYEES:

Implementation of Mandatory Unpaid Days for Executive Branch, AFSCME-Covered Employees

December 4, 2009

SECOND REVISION on December 7, 2009

1. **When can employees begin taking the five mandated unpaid days?**
 - Mandatory unpaid days can be taken beginning with the November 27, 2009, pay period through the end of the June 11, 2010, pay period. (The last day of this pay period is June 24, 2010.)
2. **Does the funding source for an AFSCME position determine who will need to take mandatory unpaid days?**
 - No, all AFSCME-covered employees, regardless of funding source, must take five mandatory unpaid days.
3. **How can the mandatory unpaid days be taken?**
 - The five mandatory unpaid days may be taken all at one time, as an entire work day, or as part of a work day with the approval of the supervisor. Mandatory unpaid days will be approved in increments of no less than one hour at a time. Since some employees may work a flex schedule of more than eight hours in one day, no employee will be required to take more than 40 hours total (the equivalent of five eight-hour days). For example, if an employee works a 10-hour day, that 10 hours will be credited toward the 40 hours of mandatory unpaid days required of each AFSCME-covered employee. This employee will then be required to take 30 additional mandatory unpaid hours.
4. **How will mandatory unpaid days be scheduled? Must the employee receive approval by the supervisor before taking a mandatory unpaid day?**
 - Yes, a department should treat a request for a mandatory unpaid day the same as a request to take vacation time. An employee must receive approval from his/her supervisor before taking mandatory unpaid days. Mandatory unpaid days will be scheduled and approved the same as vacation days are approved per the AFSCME contract, Article IX, Section II, D.
5. **If a vacation or mandatory unpaid day has been approved, may an employee with more seniority displace this employee's previously approved vacation or mandatory unpaid day?**
 - No. Per contract, Article IX, Section II, D: *Once vacation periods have been scheduled, the Employer shall make no changes in employee vacation schedules except to meet emergencies.*
6. **Do departments have the ability to close offices on these days?**
 - If a department is considering closing an office for a day, it must be mutually agreed upon by the Union and the Governor's Office.

7. **May departments tell employees when to take mandatory unpaid days?**
 - A department should allow as much flexibility as possible when granting mandatory unpaid days requested by the employee. Supervisors will monitor unpaid day usage to ensure it is being taken evenly throughout the seven-month period. If enough days are not being taken, some unpaid days may be mandated. This must be discussed with the Union prior to mandating unpaid days.
8. **If an employee requests five days of unpaid leave may part of this be approved as vacation?**
 - Yes, let the employee know how much of it can be granted as vacation and how much as unpaid days. With that information, employees may want to withdraw the request.
9. **Are plans for mandatory unpaid days required?**
 - No, plans are not required from departments.
10. **What are the FLSA implications of mandatory unpaid days?**
 - Some AFSCME employees are exempt from the overtime provisions of FLSA. When these employees take mandatory unpaid days, the exemption will not apply during the work week when mandatory unpaid days are taken.
11. **May someone work during a mandatory unpaid day?**
 - No, when taking a mandatory unpaid day, the employee loses his or her FLSA exemption during the work week the mandatory unpaid day is taken.
12. **What is the impact on benefits?**
 - There is no change to benefits if an employee is continuously off for less than 30 calendar days. Mandatory unpaid days will not impact benefit coverage, contribution levels, or leave accrual rates. Specific types of benefits and points of interest are listed below:
 - **Health, Dental, Life, and Long-Term Disability Insurance** – Health, dental, life, and long-term disability insurance coverage, and the State's premium contributions for these insurances will not be directly affected. The employee's full share of the premium, however, must be paid despite the reduction in work hours or insurance coverage will be discontinued. Therefore, if an employee's pay during the period is not enough to cover the employee's share of the premium, the employee must submit payment for the employee's share.
 - **Health and Dependent Care Flexible Spending Accounts** – If the employee receives enough pay to make the FSA contribution, the contribution will continue and the employee will receive coverage if the employee has eligible expenses. If the employee does not receive enough pay to make the FSA contribution, coverage will continue and the contribution will be increased the next pay period to make up for lost contributions.
 - **Federal Withholding, State Withholding, and FICA** – The amounts deducted from the employee's pay in each of these categories will be adjusted each pay period based on the salary earned.
 - **Deferred Compensation** – Employees receiving pay may choose to terminate or adjust their deferred compensation deduction for a specified period of time. If an employee decides to terminate deferred compensation contributions, he or she may restart at any time. Appropriate RIC account forms are available from each Personnel Assistant or at

<http://ric.iowa.gov/>. If an employee suffers a financial hardship due to an unforeseeable emergency (as an unplanned loss of wages), the employee may be eligible to receive a hardship distribution from the employee contribution (457) plan. An employee who hasn't contributed to the program for two or more years and whose account balance is under \$5,000 may receive a cash-out of the employee's 457 account.

13. Does vacation and sick leave accrue during mandatory unpaid days?

- Yes, employees will continue to accrue sick leave and annual leave. Agency Human Resource Associates (HRA) will be provided with the necessary information to ensure that vacation and sick leave accruals are not affected by mandatory unpaid days. For those employees on the HRIS Time Reporting system, time type 864 TEMP LAYOFF-ACCR provides vacation and sick accruals. This time type will show up on the list of valid codes in both the Explode the Day screen and the Selection List screen. If the department does not use HRIS Time Reporting, but enters its employees' data on PAYN, the number of regular hours to be paid will be reduced by the number of mandatory unpaid hours taken. The HRA must do a P1 type 271 LEAVE BALANCE CORRECTION to give the employee the correct sick and vacation accruals.

14. May vacation or compensatory time be taken in lieu of mandatory unpaid days?

- No, this is not allowed. Mandatory unpaid days must be unpaid.

15. May an employee volunteer to take someone else's mandatory unpaid days?

- No, another employee may not volunteer to take extra mandatory unpaid days.

16. May overtime be approved to cover someone's absence due to mandatory unpaid days?

- Overtime is not encouraged to cover absences due to mandatory unpaid days; however, due to staffing concerns, minimal overtime may be necessary.

17. What are the IPERS implications?

- If pay reduction occurs in one of the three highest years of earning, future pension benefits would be reduced accordingly. However, if the final average salary would be reduced as a result of an employer-mandated reduction of work hours, the employee may be eligible to make voluntary contributions to his/her IPERS account. Choosing to do this will minimize the negative impact of the reduction in work hours to the IPERS benefit amount. The voluntary contributions must be the amount of IPERS contributions both the employee and employer would have paid if the employee had not had reduced work hours. Under current law, voluntary contributions can be made only for hours reduced between January 1, 2009, and June 30, 2010. This is beneficial only if the final average salary will include wages from calendar year 2009 and/or 2010. To make voluntary contributions, the employee must file an election form with the employer before July 1, 2010, and the employer must forward the employee's additional contributions to IPERS no later than July 31, 2010. For detailed information on the employer mandated reduction in hours process as it relates to IPERS, visit their website at http://www.ipers.org/newsroom/announcements/2009_2.html. For additional questions about IPERS, contact a retirement benefit counselor at 515-281-0020 or 800-622-3849.

18. What happens to payroll deductions during mandatory unpaid days?

- Payroll deductions will continue unless the employee takes action to change them. Some deductions may not be changed, such as garnishments or wage assignments, and the employee share of insurances, if applicable. See the answer to question #12 above for an explanation of insurance premium payments, flexible spending account deductions, and deferred compensation deductions.

19. Are mandatory unpaid days prorated for permanent part-time employees?

- Yes, mandatory unpaid days should be prorated for permanent part-time employees. For example, if a permanent part-time AFSCME-covered employee works 20 hours a pay period, or half time, he/she will be required to take 2.5 days of mandatory unpaid days. Mandatory unpaid days should be prorated based on the number of hours worked by permanent part-time employees.

20. Do temporary employees have to take the mandatory days without pay?

- Yes, all temporary employees are non-contract (including those working less than 780 hours, seasonal, Olsten, Merit Resources, etc.) and must take seven days without pay. If temporary employees work less than 40 hours per week, their non-paid days will be prorated.

21. May payroll deductions be stopped during mandatory unpaid days?

- Some payroll deductions are mandatory or cannot be changed. Payroll deductions for State provided insurance, flexible spending accounts and deferred compensation are addressed in question #12 above. Your payroll tax withholdings (Federal, State, and FICA) and your retirement contributions will be decreased as they are based on percentages. FICA (Social Security) is a payroll tax with a fixed percentage and employees have no option to change that percentage. An employee may, however, change withholding status and number of withholding allowances for Federal and State tax withholdings by completing new W4 forms. Voluntary payroll deductions can be stopped or changed by completing the appropriate forms and turning them into the Human Resources Associate. Examples of those voluntary payroll deductions are deductions for credit union accounts, deferred compensation, US Savings Bonds, and some miscellaneous deductions.

22. How should mandatory unpaid days be recorded on the timesheet?

- Time type 864 TEMP LAYOFF-ACCR is a leave without pay code that will not reduce sick and vacation accruals. This time type should be used on an employee's HRIS timesheet when recording any reduced hours or days during the pay period. For tracking and reporting purposes, put EMPLOYER MANDATED REDUCTION IN HOURS in the Remarks line on the front of the timesheet.

23. May mandatory unpaid days be taken on the days before and/or after a holiday without loss of holiday pay?

- The AFSCME bargaining agreement requires that the employee must be in pay status the last scheduled workday immediately before and the first scheduled workday immediately following each holiday. However, as part of the Memorandum of Understanding regarding mandatory unpaid days, the parties agreed to waive this requirement. The employee will be paid for the holiday if the employee is approved to take mandatory unpaid days before and/or after the holiday. The employee may not take the holiday as a mandatory unpaid day.

24. If an employee is currently on approved leave without pay (FMLA, military leave) does the employee have to take additional mandatory unpaid days?

- No, if an employee is currently in an approved leave without pay status (which has extended beyond five days or 40 hours after November 27, 2009), the employee will not be required to take an additional five mandatory unpaid days.

25. **May mandatory unpaid days be reduced based on the amount of money an individual earns or on a sliding scale based on an employee's income?**
- No, every AFSCME employee, regardless of his or her salary, must take five mandatory unpaid days.
26. **May an employee pay the State for the cost of the mandatory unpaid days rather take the days without pay?**
- No, each AFSCME employee must take the five mandatory unpaid days. See question #17 regarding the IPERS implications.
27. **Can employees take one-half day of vacation and the other half day toward the mandatory unpaid days?**
- Yes, the appropriate codes must be entered into the HRIS timesheet for each type of leave.
28. **If an employee has already taken a voluntary leave without pay, does the employee have to take mandatory unpaid days also?**
- Yes, all AFSCME-covered employees must take five mandatory unpaid days between the November 27, 2009, and the June 11, 2010, pay periods.
29. **Will a report be generated from the HRIS/Payroll system that shows the number of hours of mandatory unpaid days used by a department's employees each pay period?**
- If the department is on HRIS Time Reporting (and not PAYN), a report has been developed which will be sent to the department following each pay period detailing the employee by name, position number, base and hourly salary, and the number of Temporary Layoff Hours taken that pay period. Both the Temporary Layoff with Accrual hours and the Temporary Layoff without accruals will be contained on that report. If the department is not on HRIS Time Reporting, the department will not get a report. Mandatory unpaid hours would have to be tracked internally, depending on the timesheet process in place. Additional questions on the report should be directed to Jean McPherson, DAS-State Accounting at (515)281-3976.
30. **Can an employee take two mandatory unpaid days at the end of one pay period consecutive with two mandatory unpaid days at the start of the following pay period?**
- Yes, provided it is approved by the employee's supervisor. It is important, however, to understand that employees may be eligible to receive unemployment when more than two mandatory unpaid days are taken in any calendar week. Additionally, if the position is federally funded, the Employer may be required to directly reimburse the cost of any unemployment benefits.
31. **If an employee is required to report to work for some reason (i.e. emergency) during a mandatory unpaid day, is the employee covered by workers' compensation insurance if an accident occurs at work?**
- If an employee is injured on the job as a result of employment, the employee may be eligible for workers' compensation benefits. If an injury or illness is believed to be work-related, the employee must notify the employer, and a first report of injury must be completed by the employee, or the employee's supervisor.

32. How are new hires, which begin employment between now and June 24, 2010, scheduled for mandatory unpaid days?

- New hires who begin employment between November 27, 2009, and June 24, 2010, should take a prorated amount of mandatory unpaid days – one day for each month employed up to a total of five mandatory unpaid days.

33. How does this affect current employees who retire between now and June 24, 2010?

- Employees planning to retire should take a prorated amount of mandatory unpaid days – one day for each month employed between November 27, 2009, and June 24, 2010, up to a total of five mandatory unpaid days. For example, if an employee is planning to retire at the end of December 2009, the employee should take one mandatory unpaid day.

34. Will temporary workers, who are not regularly scheduled to work and only fill in during periods of emergency or low staffing, be required to take mandatory unpaid days?

- No, temporary employees who are not normally scheduled to work and fill in only during emergencies or to cover unforeseen absences are not required to take mandatory unpaid days.

35. Will any exemptions from mandatory unpaid days be approved?

- No.

36. If the savings from mandatory unpaid days is not adequate, can a department submit a subsequent layoff plan that includes AFSCME employees?

- No. Executive Branch AFSCME-covered employees will not be laid off through the end of fiscal year 2010.

37. How does the agreement with AFSCME affect non-contract-covered bumping rights?

- Non-AFSCME-covered positions affected by layoff will not be able to bump AFSCME-covered employees through the end of the fiscal year 2011.

38. How do mandatory unpaid days affect overtime?

- If mandatory unpaid days have been taken and the employee is called in to work on his/her days off or any non-scheduled work hours during the same work week, the unpaid days will be considered as time worked for purposes of calculating overtime.

39. Are employees eligible to file for unemployment benefits when taking mandatory unpaid days?

- Employees should contact their local Iowa Workforce Development (IWD) office to inquire about unemployment benefits or visit IWD's website at www.iowaworkforce.org/ui/file1.htm.

If you have any additional questions, please contact your assigned DAS-HRE Personnel Officer.